

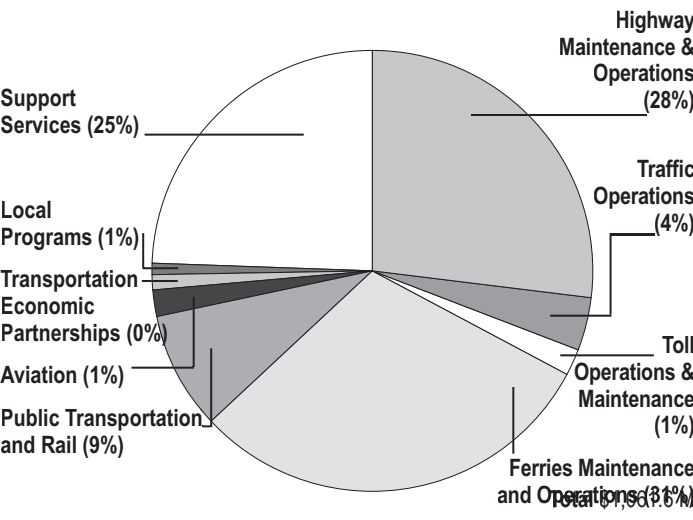
Where the Money Goes—WSDOT’s Expenditure Budget

WSDOT’S budget has both operating and capital components (details below). The total 2003-2005 WSDOT budget is approximately \$3.7 billion. Even with the addition of the 2003 Funding Package, WSDOT’s 2005-07 budget proposal is less, approximately \$3.5 billion.

Current Law Operating Budget

WSDOT Operating Budget

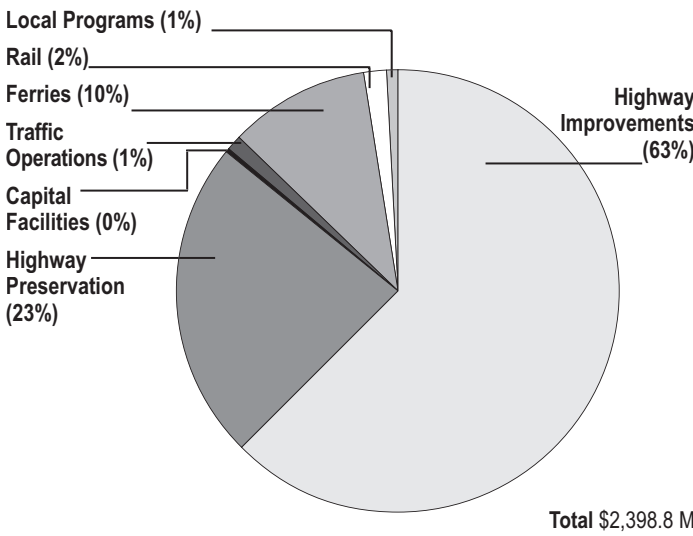
(in millions)	2003-05 Budget	2005-07 Current Law Proposed Budget	2005-15 Plan
Highway Maintenance & Operations	\$291.0	\$295.1	\$1,544.8
Traffic Operations	39.2	42.7	223.2
Toll Operations & Maintenance	-	8.6	151.0
Highways Total	330.2	346.4	1,918.9
Ferries Maintenance & Operations Total	318.8	328.0	1,801.4
Public Transportation & Rail Total	83.9	90.5	500.2
Aviation Total	8.0	7.5	37.5
Transportation Economic Partnerships	1.0	1.0	5.3
Local Programs	9.7	9.5	50.0
Support Services Total	279.7	261.6	1,363.9
Anticipated Compensation Changes	-	17.1	101.1
Total	\$1,031.3	\$1,061.6	\$5,778.4



Current Law Capital Budget

WSDOT Capital Budget

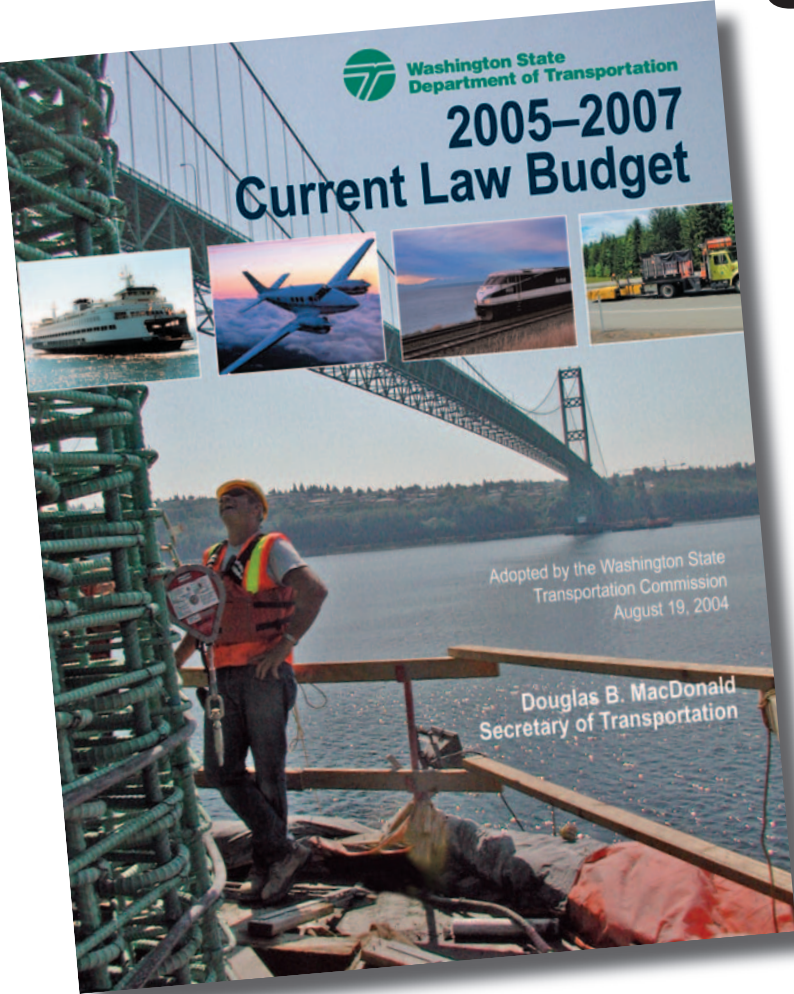
(in millions)	2003-05 Budget	2005-07 Current Law Proposed Budget	2005-15 Plan
Highway Improvements (Pre-Existing Funds)	\$441.1	\$301.9	\$1,093.8
Highway Improvements (2003 Transportation Funding Package)	558.5	922.2	2,648.8
Tacoma Narrows Bridge	604.0	278.7	278.7
Total Highway Improvements	1,603.5	1,502.8	4,021.3
Highway Preservation (Pre-Existing Funds)	475.5	375.0	2,606.5
Highway Preservation (2003 Funding Package)	2.0	10.3	185.1
Hood Canal (Pre-Existing Funds)	254.3	175.6	175.6
Total Highway Preservation	731.8	560.9	2,967.2
Total Highway Construction	2,335.3	2,063.6	6,988.5
Capital Facilities	17.2	7.7	51.8
Traffic Operations	29.2	27.1	138.1
Highways Total	2,381.7	2,098.4	7,178.4
Ferries Construction (Pre-Existing Funds)	180.1	199.8	1,207.2
Ferries Construction (2003 Funding Package)	17.5	42.7	284.5
Ferries Construction Total	197.6	242.6	1,491.7
Rail Total	56.5	39.4	202.1
Local Programs Total	87.0	18.4	25.7
Total	\$2,722.7	\$2,398.8	\$8,897.9
Grand Total	\$3,754.0	\$3,460.4	\$14,676.3



2005–2007

Washington State Department of Transportation

Current Law Budget



“This budget’s primary emphasis is on system maintenance and preservation, and delivering the projects the legislature approved in 2003.”

Doug MacDonald
Secretary, Washington State Department of Transportation

“The Commission is pleased to submit a budget that focuses on safety, maintenance and preservation.”

Dale Stedman
Chair, Transportation Commission

bond sales. The other 11¢ goes to local governments for use on city streets and county roads. WSDOT’s gas tax ranks 10th nationwide when compared to what other states impose and the state and local levels.

- **Licenses, permits and fees**—these funds come primarily from new and annual vehicle registration fees and license fees for trucks based on weight. Other fees such as vehicle inspection fees, title fees and special permits are included.
- **Ferry fares**—fare box revenues and other miscellaneous revenues, such as concessions, are used for ferry operations. Washington State Ferries business plan calls for a 5% increase in fares each May through the year 2009, and inflationary increases each May thereafter.

Other sources of revenue include Local and Federal funds. Funds used by the department also include proceeds from the issuance of bonds to be repaid over time from future gas tax and other receipts.

How Is The Budget Developed?

The Washington State Department of Transportation (WSDOT) operates within a two-year budget cycle, or biennium (for example, 2005-2007, 2007-2009, etc.) The Washington State Transportation Commission helps direct the strategic development of the budget, and by law (RCW 47.01) has the authority to approve WSDOT’s budget. After the Transportation Commission adopts the proposed budget, it is given to the Governor’s Office of Financial Management and the state Legislature for consideration. They may choose to use WSDOT’s budget, or create a transportation budget, which may include all, part, or

none, of WSDOT recommendations. Once approved by both houses of the legislature, the budget is enacted into law and signed by the Governor.

How Is Transportation Funded?

Transportation is funded from a variety of sources. The three major sources of transportation revenue are:

- **State Gas Tax**—Washington’s gas tax is currently 28¢ per gallon. This includes the legislature’s 5¢ increase (effective July 1, 2003) that was part of the 2003 Funding Package. The package funded 158 highway construction, ferries, and rail projects. WSDOT’s budget is supported by about 17¢ of the total gas tax, less amounts needed to pay outstanding debt service on

Where Can I Get More Information?

You may view the budget document on WSDOT’s Web site at: www.wsdot.wa.gov/fasc/budget/Budget_Report05-07.pdf

WSDOT Budget Services
PO Box 47422
Olympia, WA 98504-7422

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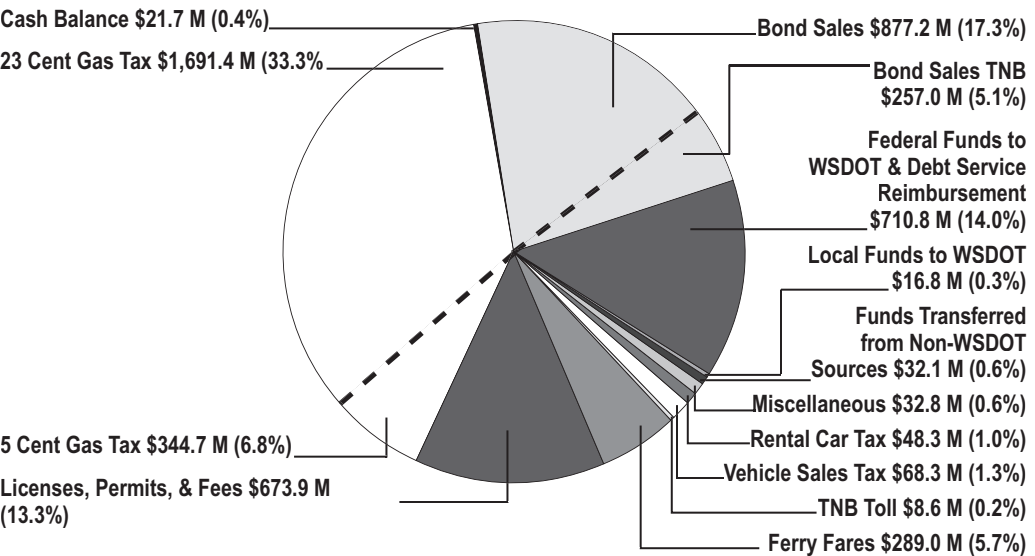
Bill Ford, WSDOT Budget Chief,
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Project Detail Information

www.wsdot.wa.gov/projects

Where the Money Comes From

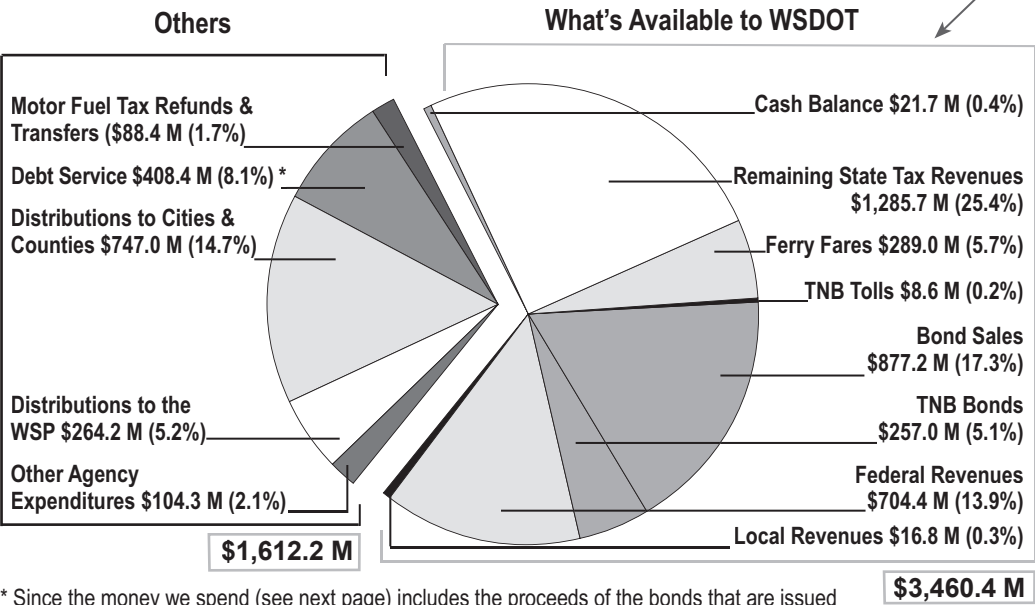
2005-2007 Total Transportation Funds: \$5,072.6 M



What's Available to WSDOT:
WSDOT \$3,460.4 M
Others \$1,612.2
Total \$5,072.6 M

Though the state collects the gas tax and licenses, permits, and fees, a portion of these funds are distributed back to the cities and counties. These statutory distributions along with appropriations to other agencies, refunds, transfers, and debt service are shown on the left side of the pie chart. The right side of the chart is assumed to be available for the proposed WSDOT 2005-2007 Operating and Capital budgets.

Uses of Funds: \$5,072.6 M



* Since the money we spend (see next page) includes the proceeds of the bonds that are issued (see "Bond Sales"), the expenditure for debt service (not appropriated in the WSDOT budget) is a significant and growing "use" of overall transportation funding.



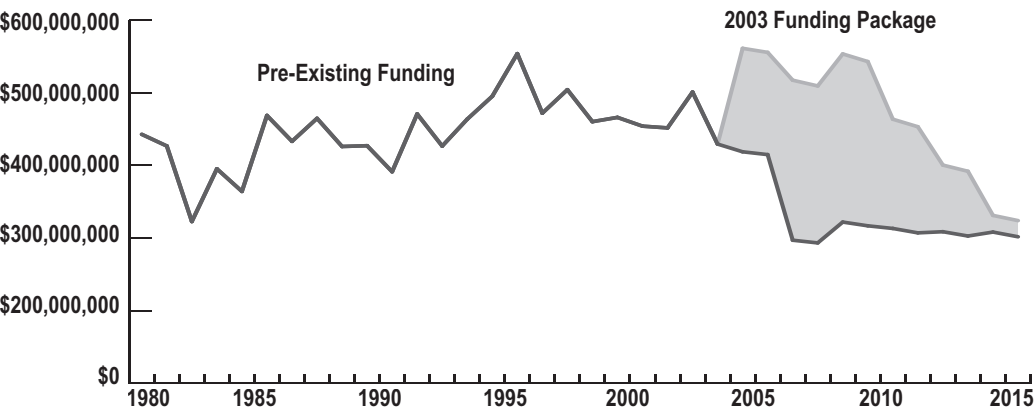
How Is WSDOT's Budget Funded?

WSDOT funding includes "pre-existing" funding (sources in place before the 2003 Transportation Funding Package), and the five-cent gas tax increase and other increases enacted in 2003.

Funding available for spending includes taxes and fees after deductions for bond debt payments have been made as well as bond sale proceeds.

By 2013 most all bond authority will have been used for construction projects and all of the nickel gas tax will be fully committed to bond debt payments. In addition to the bonding issue, tax and fee revenues do not keep pace with inflation.

WSDOT's Funding for Capital Investments (Taking Inflation into Account) Will Continue to Decline Even with the 2003 Transportation Funding Package (in 1980 constant dollars)



Current Law Budget Priorities

The Current Law Budget (CLB) is the budget proposal based on taxes and fees allowed by existing law. The 2005-2007 CLB focuses on completing highway construction projects and providing transportation services. The \$3.4 billion budget provides emphasis on continued safety and preservation of the system in serving basic transportation services, and investment for improvements with available funding. The budget is based on existing revenues and does not include any new revenue sources.

Budget Highlights

The 2005-2007 CLB Operating Budget allocates resources to the programs and activities that operate, maintain, and support the existing state transportation system. The capital portion of the budget focuses on project and program delivery—mainly highway and ferry construction. It also continues work on the ten-year transportation investment plan that was established and funded by the 2003 Legislature.

Operating Budget Highlights

- Funding to operate and maintain the new Tacoma Narrows Bridge and its toll facility, expected to open in 2007.
- Funding for public transportation grant programs including rural mobility, paratransit/special needs transportation and vanpools.

- Funding to add one new roundtrip on Amtrak Cascades between Seattle–Portland, starting in July 2005.
- Funding of Highway Maintenance and Operations to ensure maintenance employees' safety given conditions that include increased traffic volumes, current traffic speed and reduced shoulder widths.

- Funding for Ferries fuel revised to reflect the latest estimated use and cost.
- Funding for information technology to provide an upgrade of the Web-based traveler information system to ensure continued access for the public and to develop a long-term strategy to support project and program delivery.

Capital Budget Highlights

- Completes work in progress on Highway Construction projects initiated in the 2003-2005 biennium and continues work on the 2003 Transportation Funding (Nickel) Program.
- Funding to preserve ferry terminals and vessels, replace four auto-passenger ferries

- built in 1927, and make improvements at Anacortes and Mukilteo.
- Replacing three major region facilities.
- Funding projects that improve traffic flow and monitor compliance with truck weight limits.
- Funding railroad track improvements between Vancouver and Bellingham.

- Completing the 2004 freight mobility projects, including the D Street Grade Separation project in Tacoma.